

**Testimony of Donald W. Downes**  
**Chairman of the Department of Public Utility Control**

**The Appropriations Committee**

**February 9, 2009**

Good afternoon Senator Harp, Representative Geragosian and members of the Appropriations Committee. My name is Chairman Donald W. Downes of the Department of Public Utility Control (DPUC), and I appreciate the opportunity to address the committee today. With me is William Palomba, our Executive Director and Peter O'Neil, the DPUC's Fiscal Administrative Manager. I am here to discuss the Governor's FY 2009-10 Budget Adjustments and also would like to highlight some of the more significant activities at the Department over the last year.

The DPUC has the statutory obligation to regulate rates and services of Connecticut's investor-owned cable television, telecommunications, water, electric and gas utility companies. Our agency receives no monies from General Fund revenues, but rather is funded by assessments of the utility companies we regulate. The DPUC has a proposed appropriation of \$22,775,764.00 and a total of 141 positions.

The agency continues to be extremely busy this past year with a large number of docketed proceedings stemming from Public Act 07-242: An Act Concerning Electricity and Energy Efficiency, in particular, has required the department to open or reopen in excess of 40 docketed cases, including the Integrated Resource Plan (08-07-01). This docket requires the Department to review the energy and capacity requirements for the state as laid out in a plan submitted by the Connecticut Energy Advisory Board (CEAB). The Department had 120 days from the date of the report's submission to either approve or modify the plan.

Furthermore, the Department has recently issued a decision on UI's distribution rates whereby the company's request for a 4.1% increase was voted unanimously down for no rate increase for 2009. There are still issues pending for the 2010 rate concerning issues with the pension fund that will be resolved going forward. We have also issued decisions on customer quality concerns in the electric and telecom field. In the CL&P proceeding, the Department ordered that CL&P must establish a customer service environment where the Company's goal is to resolve the customers issue or complaint with their first call. To that end, the Department ordered the Company to file a monthly report on what steps it would need to take in order to accomplish one call resolution in the future. The AT&T docket is currently before the Department and its next hearing is scheduled for February 24, 2009.

In Docket 07-10-03 RE01 – DPUC Review of CL&P's and UI's 2008 C&LM Plan – Program Incentive Structure- was concluded on September 24, 2008. In this proceeding, the Department followed up on the June 19, 2008 decision that approved funding intended to balance oversubscription and customer demand for C&LM programs with the need to moderate potential program cost-induced rate increases. The re-opener disallowed CL&P's performance incentive that

corresponded to the projects that were installed with the additional \$10 million allowed to complete projects that had been suspended.

The Department also notes that in Docket No. 08-01-16, the Department determined that the public has a right to know the level of executive compensation information in order to make informed decisions regarding their choice of utility providers. Therefore, in Docket No. 08-01-16, the Department ordered each public utility, with the exception of holders of CCFAs, as defined in Conn. Gen. Stat. § 16-1, to provide to the Department its executive and officer compensation in an agreed upon format.

In addition to the above, the DPUC is involved in ongoing regional and federal proceedings and activities related to wholesale electricity markets, water planning initiatives, gas supply issues and technological advances in telecommunications. At this time I would be happy to respond to any questions that you may have.